

**01289**

**1990/10/11**

**SECRET**

**EXCISE**

**CHINA/TAIWAN: TOWARD A NEW CROSS-STRAIT RELATIONSHIP**

National Unification Committee (NUC)

SF  
P  
PH  
C

EIA5

After considering the PRC's response, Taiwan announced on September 17 formation of an NUC under the office of the president. The committee is to deliberate policy, which will be carried out by a new Mainland Affairs Council attached to Taiwan's cabinet. There would also be an "unofficial, intermediate" organization, attached to the NUC, empowered to handle commercial and legal affairs and run the representative office system.

Beijing tries to speed up the process

RJA5

EIA5  
FFC

In April Taiwan announced it was prepared to let PRC authorities establish "unofficial" representative offices in Taiwan provided the PRC reciprocated.

On September 25, China's president, Yang Shangkun, who is also vice chairman of the Central Military Commission, a Deng Xiaoping confidant, and the official in charge of the Communist party's Taiwan affairs office, gave an extended interview to editors from Taiwan's *China Times*.

Talking about talking

In May President Lee Teng-hui qualified Taiwan's long-standing "three no's" (no contact, negotiation, or compromise) toward the PRC. Lee linked dropping of the "three no's" to China's willingness to renounce the use of force against Taiwan, liberalize the PRC domestic system, and end interference in Taiwan's efforts to broaden international ties.

bif

Yang commented favorably on recent changes in Taiwan's policy toward the mainland, called for a channel through which the PRC and Taiwan could talk authoritatively, noted that talks could begin at "lower levels" and be upgraded gradually, and—acknowledging the Kuomintang is no longer as "authoritative" as it once was—opened the door to non-Kuomintang participation in any talks.

Cooperation and competition

Cooperation is growing: the PRC and Taiwan Red Cross organizations recently agreed on steps to repatriate illegal PRC immigrants to Taiwan; groups as divergent as fishermen and nuclear engineers have expanded working ties; and Taiwan has sanctioned new areas of potential investment in the PRC.

October 11, 1990

**SECRET**